

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 16254 130027Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 /021 W
-----115492 132228Z /20

R 121506Z JUL 78
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 4239
INFO USDOC WASHDC
AMCONSUL LENINGRAD

LIMITED OFFICIAL USE MOSCOW 16254

USDOC FOR BEWT/TDAD AND BEWT/USSR

E.O. 11652: N/A
TAGS: BGEN, EEWT, EIND, UR
SUBJECT: CLARK EQUIPMENT DECIDES AGAINST MOSCOW
OFFICE

1. VICTOR BRUSSOVANSKY, DIRECTOR, INTERCONTINENTAL SALES FOR CLARK EQUIPMENT CORPORATION, TOLD COMATT JULY 5 THAT HE HAD JUST COMPLETED SURVEY OF U.S. BUSINESS OFFICES IN MOSCOW, INCLUDING US/USSR TRADE AND ECONOMIC COUNCIL (T&EC) AND SEVERAL SOVIET FTO'S, ON ADVISABILITY OF CLARK EQUIPMENT'S OPENING AN OFFICE IN MOSCOW AT THIS TIME. FIRM, WHICH PRODUCES HEAVY-DUTY WHEELED (NOT TRACK-LAYING) CONSTRUCTION AND MATERIAL HANDLING VEHICLES, HAS ONLY SOLD ABOUT \$10 MILLION WORTH OF EQUIPMENT IN USSR SINCE BEGINNING SERIOUS MARKETING OPERATIONS IN 1974/75. ACCORDING TO BRUSSOVANSKY, CORPORATE PLANNERS HAVE BEEN CONVINCED FOR SOME TIME THAT THIS FIGURE COULD BE VASTLY IMPROVED WERE CLARK EQUIPMENT TO HAVE PERMANENT PRESENCE IN MOSCOW. BRUSSOVANSKY ADMITTED THAT SOVIETS HAD PURCHASED \$5 MILLION WORTH OF EQUIPMENT IN PAST TWELVE MONTHS,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 16254 130027Z

AND SPARE PARTS BUSINESS WAS CLIMBING NICELY.

2. RESULTS OF SURVEY: BRUSSOVANSKY SAID THAT NONE OF NEARLY DOZEN PERSONS WITH WHOM HE SPOKE, INCLUDING FTO TRAKTOROEKSPORT, RECOMMENDED THAT CLARK EQUIPMENT OPEN AN OFFICE IN MOSCOW NOW. AFTER CAREFUL ANALYSIS OF COSTS AND TIME INVOLVED, BRUSSOVANSKY

SAID HE HAD EFFECTIVELY QUASHED IDEA IN A MEMO TO CORPORATE HEADQUARTERS A FORTNIGHT AGO. WHEN ASKED AS TO REASONS FOR HIS NEGATIVE RECOMMENDATION, BRUSSOVANSKY SAID THEY WERE 90 PERCENT COMMERCIAL AND ONLY TEN PERCENT POLITICAL.

3. MARKET FOR CONSTRUCTION AND MATERIALS HANDLING EQUIPMENT: BRUSSOVANSKY SAID THAT CLARK WAS SOON COMING OUT WITH A NEW 1,200 H.P. RUBBER-TIRED LOADER WHICH, IF IT PROVED OUT IN OPERATIONAL TESTING IN U.S., COULD BE OFFERED ON USSR MARKET WITHIN NEXT TWO YEARS. BRUSSOVANSKY WAS CONVINCED THAT THERE WOULD BE A LARGE MARKET IN USSR FOR SUCH A MACHINE, PARTICULARLY SINCE INTERNATIONAL HARVESTER, CLARK'S MAJOR COMPETITOR IN THIS LINE, HAD RECENTLY STOPPED PRODUCING LOADERS OF THIS SIZE. AS REGARDED MATERIALS HANDLING EQUIPMENT, BRUSSOVANSKY SAID THAT CLARK'S SEVERAL ATTEMPTS TO SELL FORK LIFTS TO SOVIETS HAD MET WITH ABSOLUTELY NO SUCCESS. HE CLAIMED THAT SOVIETS WOULD, WITH POSSIBLE EXCEPTION OF JAPANESE, NEVER PURCHASE FORK LIFTS FROM NON-CEMA PRODUCERS. IN ORDER TO GET AROUND THIS OBSTACLE, BRUSSOVANSKY SAID THAT CLARK EQUIPMENT WAS CURRENTLY NEGOTIATING WITH SOVIETS FOR CONSTRUCTION OF FORK LIFT PRODUCTION FACILITY IN USSR WITH PLANNED CAPACITY OF 30,000 LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 16254 130027Z

UNITS PER YEAR. HE CLAIMED THAT OTHER MAJOR U.S. MANUFACTURERS OF FORKLIFTS, I.E., HYSTER AND ALLIS-CHALMERS, WERE NOT INTERESTED IN THIS PROJECT AND THAT JAPANESE ALSO WERE NOT BIDDING. THUS, CLARK EQUIPMENT SEEMED TO BE IN GOOD POSITION IF SOVIETS CHOSE TO MOVE AHEAD AND CONSTRUCT NEW FACILITY.

4. COMMENT: MORE INTERESTING THAN CLARK EQUIPMENT'S REPORTED DECISION NOT TO PRESS FOR A MOSCOW OFFICE JUST NOW WAS UNANIMITY OF ADVICE BRUSSOVANSKY SAID HE RECEIVED FROM HIS SURVEY RESPONDENTS. EXCEPT FOR NBC AND MONSANTO AND PERHAPS A FEW REP AGENCIES, EMBASSY KNOWS OF NO U.S. FIRMS ACTIVELY SEEKING OFFICE SPACE IN MOSCOW AT THIS TIME. MATLOCK

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OFFICE EQUIPMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 12 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MOSCOW16254
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780288-0040
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780769/aaaacggq.tel
Line Count: 109
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c8440477-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2036039
Secure: OPEN
Status: NATIVE
Subject: CLARK EQUIPMENT DECIDES AGAINST MOSCOW OFFICE
TAGS: BGEN, EEWT, EIND, UR
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/c8440477-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014